

City of Detroit

CITY COUNCIL

DAVID D. WHITAKER
Interim Director
(313) 224-4684

DIVISION OF RESEARCH & ANALYSIS
Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 216
Detroit, Michigan 48226
(313) 224-4946
FAX: (313) 224-0368

PEGGY ROBINSON
Interim Deputy Director
(313) 224-4543

TO: The Honorable City Council

FROM: David Whitaker
Julianne Pastula

DATE: April 22, 2005

**RE: GENESEE COUNTY LAND BANK FORUM AND UPDATE ON THE
PROPOSED DETROIT LAND BANK AUTHORITY**

At the Honorable City Council's request, the Research & Analysis Division (RAD) has researched and submitted reports in regard to land banking and the proposed Detroit Land Bank Authority. In our memo dated April 5, 2005, RAD outlined the question presented by providing background information, outlining issues raised at the discussion on March 17th, and outlining the documents necessary for the formation of a Detroit Land Bank Authority (DLBA).

Since the aforementioned memo, representatives from RAD and the City Planning Commission (CPC) attended the Land Bank Authority Forum, a two-day¹ conference in Flint, Michigan. A brief summary of the conference, which was attended by approximately 140 participants, is provided in this report.

The Land Bank Authority Forum provided information on operating land bank authorities as well as development and redevelopment trends related to vacant and underutilized properties. It included moderated panel discussions as well as individual speakers. The first day of the conference focused on the national arena. Operating land banks (Atlanta, GA; Cleveland, OH; St. Louis, MO; Louisville, KY; and Flint, MI) were discussed and compared. The second day focused on Michigan. The following topics were discussed:

- History of land banks;
- Enabling legislation²;
- Process for creation of a land bank;
- Importance of defining the priorities of the authority and how they are reflected in the operating policies and procedures;
- Financing;

¹ April 7-8, 2005.

² Michigan Land Bank Fast Track Act, P.A. of 2003, No. 258. Please refer to RAD's memo dated August 4, 2004, titled *Land Bank Legislation and its Potential Impact on Land Use and Disposition Process* for a detailed description and analysis.

- Planning;
- Property maintenance;
- Property management;
- Pricing structure; and
- Property disposition.

Among the materials received by the participants of the conference was the book authored by Frank Alexander titled *Land Bank Authorities: A Guide for the Creation and Operation of Local Land Banks*. This guidebook outlines the considerations³ for forming an Authority, discusses in detail the various models that have been implemented nationwide. It also contains the statutes, intergovernmental agreements and operating policies of established land banks. A copy of the book accompanies this memo⁴. The National Vacant Properties Campaign report titled *Vacant Properties: The True Costs to Communities*, which discusses the expense of vacant land on local governments. A copy of the report is attached to this memo.

Earlier this month, the proposed intergovernmental agreement (IGA) between the City of Detroit and the State Land Bank Authority was forwarded to Lansing by the Administration. After the terms of the document have been agreed upon with the State, the Administration will bring the IGA before this Honorable Body for approval. If revisions are desired and are agreed upon between the executive and legislative branches of City government, the IGA will go through the approval process with the State again.

³ The considerations include: identifying public policy goals and how to incorporate them into the governance and policies; examination of past impediments to property reuse and how they interact to evaluate the necessity of a land bank authority.

⁴ Due to the limited number received, copies have been circulated to council members only.

Vacant Properties: The True Costs to Communities

National Vacant Properties Campaign
Spring 2005

The National Vacant Properties Campaign would like to thank the U.S. Environmental Protection Agency for providing the funding to develop this report. We also thank the many people who contributed to the study: Don Chen, Jennifer Leonard, Lisa Mueller Levy, Cheryl Little, Barbara McCann, Allie Moravec, Joe Schilling, and Kevin Snyder.

National Vacant Properties Campaign Advisory Committee

Frank Alexander, Emory University*
Noreen Beatley, The Enterprise Foundation
Carlton Eley, U.S. EPA,
Community and Environment Division
Mindy Fullilove, Columbia University
Ellen Greenberg, Congress for the New Urbanism
Stephanie Jennings, Fannie Mae Foundation
(Ex-Officio Member)
John Kromer, Fels Institute of Government
Joseph Molinaro, National Association of Realtors
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john powell, Ohio State University
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Diane Silva-Martinez, City of San Diego
Jeff Soule, American Planning Association

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County Management Association
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Peter Harnik, Trust for Public Land
Dan Kildee, Treasurer, Genesee County
Michigan*
Alan Mallach, National Housing Institute*
Rachel Morello-Frosch, Brown University
Anne Pasmanick, National Neighborhood
Coalition
Jim Rooney, CEOs for Cities
Israel Small, City of Savannah, Georgia
Jennifer Vey, Brookings Institution,
Center on Urban and Metropolitan Policy

*affiliations used for identification purposes only

The National Vacant Properties Campaign's mission is to help communities prevent abandonment and reclaim abandoned and vacant properties. The Campaign focuses on properties—homes, factories, stores, and vacant lots—that are not legally occupied, show signs of neglect or pose a public nuisance.

The Campaign is pursuing four core activities:

- developing a national network of vacant property practitioners and experts;
- providing tools and research;
- developing persuasive arguments for property reclamation; and
- building the capacity of local, regional, and national practitioners and decision-makers through technical assistance and training.

The National Vacant Properties Campaign is a project of Smart Growth America (SGA), the International City/County Management Association (ICMA), Local Initiatives Support Corporation (LISC), and the National Trust for Historic Preservation (NTHP). The Campaign is funded by the generous support of the Fannie Mae Foundation, the US Environmental Protection Agency, the Ford Foundation, and the Surdna Foundation.

For more information and to get involved visit the website at <http://www.vacantproperties.org>



**WHAT
ARE
VACANT
PROPERTIES?**

The National Vacant Properties Campaign focuses on properties — homes, factories, stores and vacant lots — that are not legally occupied, show signs of neglect or pose a public nuisance. Typically, owners of such sites have failed to fulfill important responsibilities, such as paying taxes, maintaining the physical condition or appearance of the site, or safely securing the property.

EXECUTIVE SUMMARY

By all accounts, vacant properties are a curse. Just ask anyone who lives next to a drug den, a boarded-up firetrap or a trash-filled lot. But abandonment often seems beyond the control of local officials, and it rarely incites a sense of urgency beyond the neighbors on the block where it occurs.

But the evidence shows that vacant properties are an expense that local governments simply cannot afford — and that the expense grows with every year a property remains vacant or abandoned. Such properties produce no or little property tax income. But they require plenty of time, attention, and money:

- A study in Austin, Texas found that “blocks with unsecured [vacant] buildings had 3.2 times as many drug calls to police, 1.8 times as many theft calls, and twice the number of violent calls”¹ as blocks without vacant buildings.
- More than 12,000 fires break out in vacant structures each year in the US, resulting in \$73 million in property damage annually. Most are the result of arson.²
- Over the past five years, St. Louis has spent \$15.5 million, or nearly \$100 per household, to demolish vacant buildings. Detroit spends \$800,000 per year³ and Philadelphia spends \$1,846,745 per year cleaning vacant lots.⁴
- A 2001 study in Philadelphia found that houses within 150 feet of a vacant or abandoned property experienced a net loss of \$7,627 in value.⁵

The aim of this report is to summarize the many and varied costs that vacant and abandoned properties impose upon communities. It compiles research from across the country quantifying a wide variety of costs, including city services (nuisance abatement, crime and fire prevention), decreased property values and tax revenues, as well as the costs born by homeowners and the issue of the spiral of blight.

This report also includes some good news: some communities have found ways to recapture the value in vacant properties, bringing vitality back to once blighted neighborhoods.

INTRODUCTION

The places with the most well known vacant property problems are older industrial cities in the Midwest and Northeast. One leading expert has estimated that roughly ten percent of residential structures are vacant in Camden, NJ, Baltimore and Detroit.⁶ But with sprawl pushing new development to the edges of many communities, even growing metropolitan areas such as San Diego and Las Vegas pay the costs of vacant and abandoned properties. The Brookings Institution found that in 60 cities with populations over 100,000, there are an average of two vacant buildings for every 1,000 residents⁷ (*see table below*).

Region	# Cities Reporting Abandoned Property Data	Average % of Vacant Land to Total Area	Average # of Abandoned Structures per 1000 Inhabitants
Northeast	7	8.3	7.47
Midwest	10	11.3	3.16
South	20	17.1	2.98
West	23	15.7	0.62
All Regions	60	14.8	2.63

Source: Pagano & Bowman (2000) pp. 7

Properties are often abandoned as a result of metropolitan-wide trends, such as sprawling development, consumer preference, job loss, an aging population, and a seeming decrease in a neighborhood's amenities.

But on an individual level, the most common reason a property is abandoned is that the cost of maintenance and operation exceeds the apparent value of the property. This occurs regardless of "whether the market is intrinsically capable of supporting continued use of the property, or whether market inefficiencies, or inadequate and inaccurate information, lead property owners to that conclusion."⁸ Most importantly for cities facing abandonment problems, the longer a property remains abandoned, the higher the cost of renovation. This leads to continued abandonment even when market conditions have dramatically improved.

Cities must address the increasing number of vacant properties, not only because of the negative impact they have on the surrounding community, but because of the numerous costs they impose. They strain the resources of local police, fire, building, and health departments,⁹ depreciate property values, reduce property tax revenue, attract crime, and degrade the quality of life of remaining residents. In summary, vacant and abandoned properties "act as a significant fiscal drain on already strapped municipalities, requiring disproportionate municipal resources, while providing little or no tax revenue to municipal coffers."¹⁰

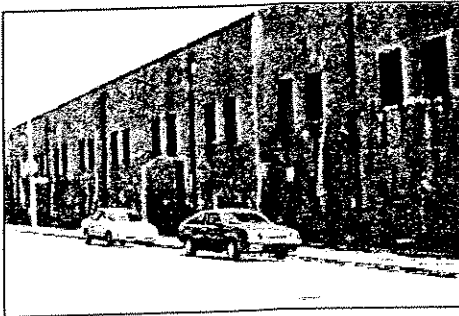
COSTS TO MUNICIPAL SERVICES

Vacant properties have been neglected by their owners, leaving it up to city governments to keep them from becoming crime magnets, fire hazards, or dumping grounds. In some communities, attending to vacant and abandoned properties can overwhelm city resources. The police and fire

departments bear the brunt of the responsibility, along with building inspection and code enforcement units. But most municipalities have staff from several departments addressing the care of vacant properties: legal offices, housing, and real estate services all deal with vacant properties. In Philadelphia, at least fifteen public agencies (not including the police and fire departments) have a role in the management of public land.¹¹ Vacant property management also demands coordination among local governments, such as county health departments, tax collectors and assessors.

POLICE

Vacant properties often become a breeding ground for crime, tying up an inordinate amount of police resources. The City of Richmond, VA conducted an analysis of citywide crime data from the mid-90s. Of all the economic and demographic variables tested, vacant/abandoned properties had the highest correlation to the incidence of crime.¹² Another study focusing on crime in abandoned buildings in Austin, Texas found that crime rates on blocks with open abandoned buildings were twice as high as rates on matched blocks without open buildings. The survey also found that “41 percent of abandoned buildings could be entered without use of force; of these



open buildings, 83 percent showed evidence of illegal use by prostitutes, drug dealers, property criminals, and others. Even if 90 percent of the crimes prevented are merely displaced to the surrounding area, securing abandoned buildings appears to be a highly cost-effective crime control tactic for distressed neighborhoods.”¹³

A crime-prevention tactic that has gotten much attention in recent years is directly related to vacant, neglected, and abandoned property. According to George Kelling and James Q. Wilson, “The Broken Window Theory”, holds that “If the first broken window in a building is not repaired, then people who like breaking windows will assume that no one cares about the building and more windows will be broken... The disorder escalates, possibly to serious crime.” Wilson and Kelling’s suggest that it is the nature of the physical environment that leads to an increase in criminal activity.¹⁴

While the monetary costs of addressing the crime associated with abandoned buildings has not been calculated, it is clear that vacant properties burden police departments.

Neighborhoods in Bloom Fights Crime

Richmond, Virginia’s focus on vacant and abandoned properties through the Neighborhoods in Bloom (NIB) program resulted in a dramatic drop in crime rates. The program launched a coordinated, focused effort in six neighborhoods to restore physical livability and improve neighborhood stability, tackling everything from code enforcement to increasing home ownership rates. Bringing together multiple organizations – city council, city staff, community development corporations, neighborhoods residents, and private developers – has been an important factor in the program’s success. In the first two years of the NIB program, violent crime decreased by 37 percent and property crime dropped 19 percent in NIB neighborhoods.¹⁵ The NIB areas outperformed other neighborhoods in decreasing crime. In the 2-year period ending on December 31, 2002, NIB neighborhoods experienced a 15 percent reduction in crime compared to a 5 percent reduction for the balance of Richmond.¹⁶

FIRE

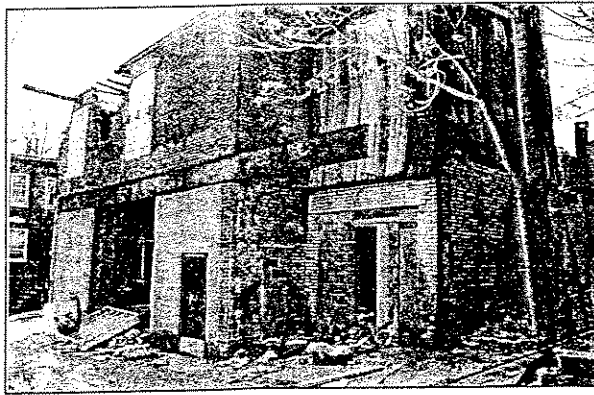
In 1999, firefighters in Worcester, Massachusetts entered a vacant cold storage building that was aflame to search for a homeless couple reported to have been in the building. Two firefighters became disoriented, and others went to their aid. Six became trapped and died in the fire. The homeless couple had left the premises after the fire began.¹⁷ The firefighters' deaths became national news as one of the major costs of vacant properties became all too clear.



The US Fire Administration reports that over 12,000 fires in vacant structures are reported each year in the US, resulting in \$73 million in property damage annually. Fires are likely in vacant properties because of poor maintenance, faulty wiring and debris. In the winter, homeless people burn candles for light and heat and may even bring in outdoor grills. But more importantly, vacant buildings are a primary target of arsonists. More than 70 percent of fires in vacant or abandoned buildings are arson or suspected arson. Such fires strain the resources of fire departments. The cost of fighting those fires is more than financial. The National Fire Protection Association (NFPA) estimates that 6,000 firefighters are injured every year in vacant or abandoned building fires.¹⁸

NUISANCE ABATEMENT AND PUBLIC HEALTH

Vacant and abandoned properties require a disproportionate amount of public maintenance. In addition to securing buildings against criminal activity, local governments must clean and care



for them to prevent a buildup of trash, illegal dumping, and rodent infestations. In some cases, abandoned properties contain toxic waste, particularly in the case of abandoned industrial buildings.¹⁹

Most municipalities have adopted ordinances that allow them to clean, board, and secure abandoned buildings. For example, in Roanoke, Virginia the city has taken a tougher stance on properties deemed health and safety hazards. If a property is deemed a hazard by the city the owner is given thirty days to ameliorate the problem. If no action is taken, the city will solicit input from the neighborhood, do asbestos and lead abatement, solicit demolition bids, raze the house and place a lien on the property to try to recoup the demolition costs.²⁰

Cities spend significant funds on these activities. "In Trenton, New Jersey during the 1990's, these dedicated resources (depending on the amount allocated for demolition) ranged from \$500,000 to well over \$1 million per year."²¹ Over a five year period, St. Louis spent \$15.5 million, or nearly \$100 per household, to demolish vacant buildings.²² Detroit spends \$800,000 each year just to clean vacant lots.²³

Demolishing crumbling vacant buildings does not completely eliminate the costs associated with abandonment. The resulting vacant lots still require maintenance. A study of vacant lots in Philadelphia estimated that the city and closely related public agencies spent \$1.8 million annually on cleaning vacant lots. At the current level of activity and assuming a three percent inflation rate, this adds up to \$49.6 million over the course of twenty years.²⁴ The study only included the costs of five out of the fifteen agencies that have a role in vacant property management.²⁵

Rehabilitation is clearly a better choice. An examination of the St. Paul, Minnesota budget for maintenance and security costs associated with vacant buildings revealed that while demolition saves \$4,697,²⁶ the rehabilitation of a vacant building will save an estimated \$7,141 in maintenance costs over a twenty-year period.

Lot Clean Up Programs

Lot clean-up programs offer a means for neighborhoods to reverse the neglect associated with vacant and abandoned properties with sweat equity. Most often, they are efforts run by community volunteers with supplies and dumpsters provided by local government. In St. Louis, Missouri, Project Blitz, puts 75,000 volunteers to work every spring on 100 neighborhood "cleaning and greening" projects. This program has helped clear more than seven million pounds of trash from streets, alleys and vacant lots.²⁷

Managing vacant properties ties up the time of municipal employees and the resources of municipal taxpayers. At the same time, these properties depress the value of other properties and generate little or no tax revenue themselves.

DECREASED PROPERTY VALUES & TAX REVENUES

Vacant properties reduce city tax revenues in three ways: they are often tax delinquent; their low value means they generate little in taxes; and they depress property values across an entire neighborhood. Lower property values mean lower tax revenues for local governments. According to Frank Alexander, an Emory University Law Professor with expertise in housing issues, "failure of cities to collect even two to four percent of property taxes because of delinquencies and abandonment translates into \$3 billion to \$6 billion in lost revenues to local governments and school districts annually."²⁸ Property taxes remain the single largest source of tax revenue under local control, so this loss of income is substantial.²⁹

TAX DELINQUENCY

Taxes are often lost on vacant properties because of tax delinquency. Abandoned properties often become tax delinquent because the cost of paying taxes on the property may well exceed the value of the property. If the property goes into tax forfeiture, a common fate for vacant or abandoned properties, ownership is transferred to the municipality which tries to recover the lost taxes through the sale of the property. But such sales are problematic for several reasons. Simply gaining title is a long and difficult process that consumes government resources (*see From the State House to Your House on page 7*). Once the title is obtained, cities often auction off delinquent properties for the amount of the tax lien, but the reclamation of all of the lost taxes is not guaranteed. One study found that 83 percent of the balance due is lost on foreclosed properties. When cities try to recover delinquent taxes on parcels where homes have been

demolished, not only are they not able to recover the taxes, but typically the demolition itself was costly – in St. Paul, the overall loss to the city for a single demolished house is about \$7,789.”³⁰ And while tax sales provide a source of income for municipalities, they do not ensure that the abandoned property will be put to productive use.³¹ The properties are sometimes purchased by speculators without any intent to restore them, and the process fails to assemble marketable parcels of land.

From the State House to Your House:

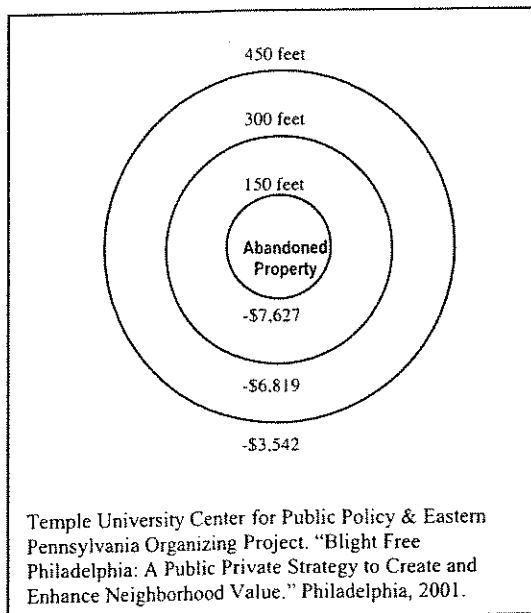
Reform of Tax Foreclosure Laws as a Tool for Community Revitalization

One of the first barriers cities face in rehabilitating vacant properties is simply gaining control over them. Michigan’s legislature responded with Public Act 123, passed in 1999. PA 123 amended the General Property Tax Act to streamline the system for returning tax-delinquent properties to productive use. More efficient than previous foreclosure laws, which could take up to six years to deliver property to new ownership, PA 123 enables county and state governments to reclaim properties in two years³² with a clear title judgment. The property is titled to either the county or the state. The law helps local governments move quickly, before a vacant building deteriorates or starts to spread blight. The law also created a fund, paid for through property sales, that helps local governments manage foreclosed land.

Genesee County, home to Flint, has done the most to take advantage of PA 123, using it and a newly created land bank to take control of thousands of parcels of land. The county has demolished dilapidated buildings, converted vacant lots to side yards, assembled parcels for county development projects, and arranged for non-profit developers to build new housing. The process is a collaborative one, pulling in partners from a diverse array of local, regional, state and national agencies.

Even if the taxes are being paid, those taxes don’t amount to much. In St. Paul, a vacant lot produces \$1,148 in property taxes over 20 years; an unrenovated but inhabited home generates \$5,650, and a rehabilitated property generates \$13,145.³³

PROPERTY VALUES



Vacant properties generate little in taxes – but perhaps more importantly they rob surrounding homes and businesses of their value (*see diagram to the left*). In a 2001 study, researchers from Philadelphia found that houses within 150 feet of a vacant or abandoned property experienced a net loss of \$7,627 in value. Properties within 150 to 300 feet experienced a loss of \$6,819 and those within 300 to 450 feet experienced a loss of \$3,542.

Philadelphia researchers also found “that all else being equal, houses on blocks with abandonment sold for \$6,715 less than houses on blocks with no abandonment.”³⁴

The University of Minnesota study also evaluated the fiscal benefits the city of St. Paul would receive if it renovated abandoned housing. The study found that vacant properties negatively affected neighborhood property values, reducing the city's tax base. While a renovated property did not negatively affect surrounding property values, demolishing a vacant building and leaving a vacant lot in its stead led to "\$26,397 in lost property tax revenue over a twenty-year period."³⁵

These lower property values represent a hit in the pocketbook for both homeowners and the city. But a focused effort to bring vacant properties back can restore value – and taxes – for the city.

RECAPTURING THE VALUE IN VACANT PROPERTIES

Richmond's Neighborhoods in Bloom (NIB) program (see *Neighborhoods in Bloom Fights Crime* on page 4) has turned around property values in the targeted neighborhoods. Property values within the NIB neighborhoods increased by 3.9 percent between 1999 and 2000. More dramatically, the number of properties sold shot up – as did the average sale price. In two of the neighborhoods the number of sales between 1996-97 and 1999-2000 grew by 94 and 150 percent. Over the same period, the average sale price in four of the six neighborhoods increased by 70 percent. Sale prices in non-NIB neighborhoods increased by only 52 percent.³⁶

With the increase in property values came growth in tax revenue. According to the former assistant city manager of Richmond, real estate assessments in Richmond's NIB neighborhoods increased 15 percent from 1998 to 2002. The transition from vacant to occupied structures resulted in an annual increase in tax revenue to the city of approximately \$150,000.³⁷



In communities with many vacant lots and a falling population, immediate rebuilding may not be an option. Cleaning up vacant lots and seeding them with grass and plantings can help increase neighborhood property values. A recent report by Susan Wachter, of the Wharton School of the University of Pennsylvania validates what "clean and green" advocates have known for some time – that investment in greening translates not only into increased quality of life benefits but also into higher property values.

The Pennsylvania Horticultural Society coordinated a vacant land management system with the New Kensington Community Development Corporation that includes clearing abandoned

lots of debris, planting grass and trees, regular cleaning and mowing, and transferring parcels to adjacent homeowners as private side yards. Previously, many of the lots in the New Kensington neighborhood had been havens for illegal activity.

Wachter's study, which analyzed more than 3,000 home sales from 1980 to 2003, found that planting trees within 50 feet of houses increased home prices by 9 percent (approximately \$3,400) and that sales prices increased as much as 30 percent when homes were located near vacant lots that had been "cleaned and greened." In the New Kensington area this translates to a \$4 million gain in property value through tree plantings and a \$12 million gain through lot improvements.³⁸

The effects of the vacant land management have been so impressive that the program was adopted as part of Philadelphia's Neighborhood Transformation Initiative.³⁹

COSTS TO HOMEOWNERS

Living in a neighborhood with many vacant and abandoned properties exacts many costs on homeowners. As discussed above, it leads to decreased property values that can devastate a family's financial security. When neighborhood populations decline and properties become

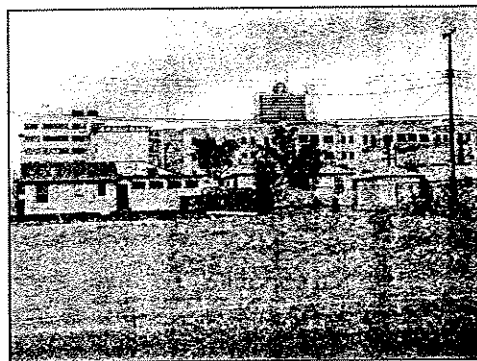
vacant a smaller number of residents bear a greater proportion of the city's tax burden. This fact is particularly relevant in lower-income neighborhoods and among residents without the resources or the desire to leave their neighborhood. And there are other, less easily measured costs of owning a home in an area with vacant properties – costs that are both fiscal and psychological.

INSURANCE

The proximity of vacant and abandoned properties makes obtaining homeowner's insurance, mortgages, and loans for home improvements more difficult. Insurance companies pay attention to what is going on in a neighborhood. This can mean increased premiums or even policy cancellations for those homeowners living close to an abandoned property. Determining how vacant and abandoned properties influence the cost of homeowners insurance is difficult at best. There are a number of variables involved in the setting of premiums and many insurance companies hold their underwriting manuals to be proprietary. An interview with an insurance agent in Washington, DC representing a national insurance company revealed that the presence of a "high hazard" property (which includes condemned properties) within forty feet of a solid masonry building and 100 feet of a non-masonry building would lead to a cancellation or non-renewal of an insurance policy.⁴⁰

QUALITY OF LIFE COSTS

Vacant properties degrade quality of life for remaining residents. Genesee County Treasurer Daniel T. Kildee tells the story of a Flint resident. "I met a woman who bought her house a decade ago, so proud to be a new homeowner. She took good care of her home and her family, and has seen the properties on both sides of her home burn and sit abandoned for many years. Finally under our program (*see From the State House to Your House on page 7*), we took control of the adjacent properties and have scheduled them for demolition and to transfer to her as part of our side-lot program. Sadly, our program was not in place for many years as she watched the neighborhood slowly slip away. This is a woman that saw her single greatest financial investment become valueless - not due to the condition of her home, but due to the neglect of the property that surrounds her. She only had two choices: stay and maintain her home and make her mortgage payments, or abandon the property and ruin her credit and her home. That is a story that has repeated itself in our community a thousand times over, with a far less happy ending."⁴¹



With abandoned buildings comes social fragmentation. Individuals who live in communities with an increasing number of vacant buildings begin to feel isolated, weakening the community as a whole. A large number of vacant buildings in a neighborhood symbolizes that no one cares, increasing the likelihood that property values will continue to decline and that further abandonment will set in. In the case of vacant properties, the problem is out in the open, for all to see. The aesthetic impact of abandoned properties, while not easily quantified in dollars, is another cost.

THE SPIRAL OF BLIGHT: THE CUMULATIVE IMPACT OF VACANT PROPERTY



The costs imposed by a single vacant building are not contained. If left alone, that building can trigger a costly spiral of blight. With each arson or lot filling up with garbage comes further incentive for the remaining residents and businesses to flee. To stem these problems it is important for municipalities to address the issue early.

In *Renewing the Urban Landscape: The Dilemma of Vacant Housing*, the authors Colvin, Fergusson, and Phillips describe the issue of vacant and abandoned property as a self-feeding problem. "In blighted

neighborhoods that adjoin abandoned ones, existing homeowners face stagnating or declining property values. Unscrupulous real estate agents play on these fears by inducing existing residents to sell cheaply in order to maximize profits at the expense of incoming families. Although this property is still generating revenues for the city, the combination of high resale prices and high tax rates discourage maintenance of such structures. In this way, communities in transition start to look shabby and run-down. Businesses see their profits dwindle and are unlikely to remain in such locales."⁴² Part of the reason abandonment becomes contagious is that "it makes it harder for people to sell their homes or because it leads banks to lower appraisals or deny loans entirely on blocks with abandoned properties."⁴³

SUMMARY

Vacant and abandoned properties are burning a hole in the pockets of local governments, businesses, and individuals. The root of the problem may seem far beyond the control of local governments. The vacancies are often a result of larger forces, such as corporate decisions to transfer jobs overseas, or developers' decisions to invest in sprawling new homes far on the urban fringe. But taking no action simply allows the problem to grow worse.

The places that have done the most to end the financial drain of vacant properties are those that recognize their remaining value. The Pennsylvania Horticultural Society provides an idea of the positive returns cities can expect by investing in a comprehensive program for dealing with vacant and abandoned property. PHS estimates that, over the course of twenty years, the City of Philadelphia would receive \$1.54 in benefits for every \$1.00 in costs (\$158.7 million in benefits, \$106.7 million investment). This figure stands before even considering the additional benefits that may "accrue to families and private businesses if the elimination of vacant land results in an increase in the value of their property, a decrease in insurance rates, or a greater interest by businesses to locate in a more attractive city."⁴⁴

Many cities and counties across the country are looking for strategies that help them capture the value reported by the Pennsylvania Horticultural Society above. While many communities have yet to take the first step, others are enacting their own programs to different degrees of success. Sharing experiences and knowledge – what works and what does not – is the role of the National

Vacant Properties Campaign, providing a forum to arm communities, civic leaders and policy makers with information that can embolden them to take action. The Campaign hopes to encourage communities and researchers to seek out the answers to these and other outstanding questions about the scope and cost of vacant properties:

- Many communities don't have a reliable accounting of the number of vacant properties that exist within their borders
- Many of the financial costs incurred by a jurisdiction, including demolition, fire and nuisance abatement, are not routinely tracked.
- While anecdotal evidence abounds regarding homeowners losing their insurance because of their proximity to an abandoned house, determining the actual cost is difficult.
- Much of the data available about the costs of vacant properties is difficult to obtain and is found from a variety of sources.

If you have data regarding these costs, please contact the Campaign so we can compile and share the information with others throughout the country.

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